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S. AMANDA MARSHALL  
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UNITED STATES DISTRICT COURT  
DISTRICT OF OREGON

UNITED STATES OF AMERICA,

Plaintiff,

Civil No. 13-427

v.

**COMPLAINT TO REDUCE  
FEDERAL TAX ASSESSMENTS TO  
JUDGMENT AND TO FORECLOSE  
FEDERAL TAX LIENS**

CHESTER EVANS DAVIS, AKA CHET  
DAVIS, AKA CHESTER EVANS; TRACEY  
JEAN DAVIS, AKA TRACEY JEAN, AKA  
TRACEY JEAN RAUCH; CLACKAMAS  
COUNTY; STATE OF OREGON; OREGON  
DEPARTMENT OF REVENUE; MASTER  
HOLDINGS,

Defendants.

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The United States of America, by and through its undersigned counsel, hereby alleges as follows:

COMPLAINT  
(Civ. No. 13-427)

**U.S. Department of Justice**  
P.O. Box 683, Ben Franklin Station  
Washington, D.C. 20044-0683  
Telephone: (202) 307-6547

### **CAUSE OF ACTION**

1. This is a civil action brought by the United States to reduce to judgment the outstanding federal tax liabilities assessed against defendants Chester Davis and Tracey Davis and to foreclose federal tax liens upon certain real property.

### **AUTHORIZATION FOR SUIT**

2. This action is commenced pursuant to 26 U.S.C. §§ 7401 and 7403, at the direction of the Attorney General of the United States, with the authorization and at the request of the Chief Counsel of the Internal Revenue Service, a delegate of the Secretary of the Treasury of the United States ("Secretary").

### **JURISDICTION AND VENUE**

3. This Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1340 and 1345, and 26 U.S.C. §§ 7402 and 7403.
4. Venue is proper in the District of Oregon in accordance with 28 U.S.C. §§ 1391 and 1396 because on information and belief, Defendants Chester Davis and Tracey Davis reside in Clackamas County, this judicial district, and the real property that is the subject of this suit is located in this judicial district.

### **REAL PROPERTY SOUGHT TO BE FORECLOSED**

5. The real property that is the subject of this foreclosure action is commonly referred to as "16545 S. Archer Drive, Oregon City, OR 97045" and is more particularly described as follows:

Lot 11, Block 2, Hunter Heights No. 2, County of Clackamas, State of Oregon, as amended and modified by instrument recorded June 20, 1974 as Recorder's Fee No. 74-16926, Film Records.

**IDENTIFICATION OF DEFENDANTS**

6. Defendant, Chester Davis resides within the jurisdiction of this Court.
7. Defendant, Tracey Davis resides within the jurisdiction of this Court.
8. Defendant, State of Oregon, is joined to this suit pursuant to 26 U.S.C. § 7403(b) because it may claim some right or interest in the real property that is the subject of this action.
9. Defendant, Clackamas County, is joined to this suit pursuant to 26 U.S.C. § 7403(b) because it may claim some right or interest in the real property that is the subject of this action.
10. Defendant, Oregon Department of Revenue, is joined to this suit pursuant to 26 U.S.C. § 7403(b) because it may claim some right or interest in the real property that is the subject of this action.
11. Defendant, Master Holdings, is joined to this suit pursuant to 26 U.S.C. § 7403(b) because it may claim some right or interest in the real property that is the subject of this action.

**FIRST CLAIM FOR RELIEF:**  
**TO REDUCE FEDERAL TAX ASSESSMENTS AGAINST CHESTER DAVIS TO**  
**JUDGMENT**

12. On the dates set forth below a duly authorized delegate of the Secretary of the Treasury made timely assessments against Defendant Chester Davis for unpaid federal income tax (Form 1040), penalties, interest, and other statutory additions in the amounts and for the periods indicated:

<b>Tax Period</b>	<b>Assessment Date</b>	<b>Assessment Amount and Type of Assessment</b>	<b>Type of Assessment</b>	<b>Unpaid Balance as of Sept. 18, 2012 Including Penalties, Fees, and Interest</b>
2000	04/21/2003 02/09/2004 07/05/2004 “ “ 03/24/2008	\$15,143.40 30.00 114,614.00 6,122.06 28,653.50 20.00	Dishonored Check Penalty Fees and Collection Costs Tax Estimated Tax Penalty Late Filing Penalty Fees and Collection Costs	\$328,840.86
2001	04/04/2005 “ “ “ “ 05/23/2005 06/20/2005 05/19/2008 07/14/2008	\$5,484.78 1,217.74 6,855.98 30,471.00 5,962.59 152.36 20.00 2,000.00 20.00	Failure to Pay Tax Penalty Estimated Tax Penalty Late Filing Penalty Tax Interest Failure to Pay Tax Penalty Fees and Collection Costs Misc. Civil Penalty Fees and Collection Costs	\$77,312.01

13. Timely notice of and demand for payment of the assessments set forth in ¶ 12, above, has been given to defendant Chester Davis.
14. Despite timely notice and demand for payment of the assessments described in ¶ 12, above, defendant Chester Davis has not paid those assessments. Based on accrued interest and other statutory additions as provided by law, as of July 12, 2012, there remains due and owing the sum of \$406,152.87 for the 2000 and 2001 federal income tax periods. Additional unassessed interest and other statutory additions as provided by law continue to accrue on these balances.

**SECOND CLAIM FOR RELIEF:**  
**TO REDUCE FEDERAL TAX ASSESSMENTS AGAINST TRACEY DAVIS TO**  
**JUDGMENT**

15. On the dates set forth below, a duly authorized delegate of the Secretary of the Treasury made timely assessments against Defendant Tracey Davis for unpaid federal income tax (Form 1040) for the 2000 tax year, penalties, interest, and other statutory additions in the amounts and for the periods indicated:

Assessment Date	Assessment Amount	Type of Assessment	Unpaid Balance as of Sept. 18, 2012 Including Penalties, Fees, and Interest
07/05/2004	\$3,071.00	Tax	
“	767.81	Interest	
“	767.75	Late Filing Penalty	
“	164.02	Estimated Tax Penalty	
09/06/2004	30.00	Fees and Collection Costs	\$8,192.01

16. Timely notice of and demand for payment of the assessments set forth in ¶ 15, above, has been given to defendant Tracey Davis.
17. Despite timely notice and demand for payment of the assessments described in ¶ 15, above, defendant Tracey Davis has not paid those assessments. Based on accrued interest and other statutory additions as provided by law, as of July 12, 2012, there remains due and owing the sum of \$8,192.01 for the 2000 federal income tax period. Additional unassessed interest and other statutory additions as provided by law continue to accrue on these balances.

**THIRD CLAIM FOR RELIEF:**  
**TO REDUCE FEDERAL TAX ASSESSMENTS AGAINST CHESTER AND TRACEY**  
**DAVIS TO JUDGMENT**

18. On the dates, in the amounts, and for the tax periods set forth below, a duly authorized delegate of the Secretary of the Treasury made timely assessments against Defendants Chester Davis and Tracey Davis for unpaid joint federal income tax for the 1999 tax year, penalties, interest, and other statutory additions in the amounts and for the periods indicated:

<b>Assessment Date</b>	<b>Assessment Amount</b>	<b>Type of Assessment</b>	<b>Unpaid Balance as of Sept. 18, 2012 Including Penalties, Fees, and Interest</b>
04/21/2003	\$13,836.22	Dishonored Check Penalty	
09/02/2003	743,514.00	Tax	
“	148,702.80	Accuracy Penalty	
“	138,418.97	Interest	
03/29/2004	20.00	Fees and Collection Costs	
05/24/2004	10.00	Fees and Collection Costs	
08/16/2004	30.00	Fees and Collection Costs	
11/08/2004	159,785.27	Interest	
09/05/2005	493.71	Fees and Collection Costs	
10/03/2005	68,982.00	Interest	
02/27/2006	21,783.77	Interest	
04/14/2008	195,505.42	Interest	
01/12/2009	48,151.94	Interest	\$1,354,370.71

19. Timely notice of and demand for payment of the assessments set forth in ¶ 18, above, has been given to defendants Chester and Tracey Davis.
20. Despite timely notice and demand for payment of the assessments described in ¶ 18, above, defendants Chester and Tracey Davis have not paid those assessments. Based on accrued interest and other statutory additions as provided by law, as of July 12, 2012, there remains due and owing the sum of \$1,354,370.71 for the 1999 federal income tax period. Additional unassessed interest and other statutory additions as provided by law

continue to accrue on these balances.

**SECOND CLAIM FOR RELIEF: TO FORECLOSE FEDERAL TAX  
LIENS ENCUMBERING THE SUBJECT PROPERTY**

21. Pursuant to 26 U.S.C. §§ 6321 and 6322, statutory liens for unpaid federal taxes arose in favor of the United States against all property or rights to property, whether real or personal, belonging to defendants Tracey and Chester Davis, as of the dates of each of the assessments described in ¶¶ 12, 15, and 18, above, including the parcel of real property described in ¶ 5, above. In addition, said liens immediately attached to all after-acquired property or rights to property.
22. In accordance with 26 U.S.C. § 6323(f), Notices of Federal Tax Lien relating to the assessments described in ¶ 12 against Chester Davis, above, for 2000 tax year were duly filed and recorded at the Clackamas County Recorder's Office on January 12, 2004 at Recording Number 2004-001803 and March 3, 2008 at Recording Number 2008-015057.
23. In accordance with 26 U.S.C. § 6323(f), Notices of Federal Tax Lien relating to the assessments described in ¶ 12 against Chester Davis, above, for the 2001 tax year were duly filed and recorded at the Clackamas County Recorder's Office on June 7, 2005 at Recording Number 2005-052029 and June 23, 2008 at Recording Number 2008-045186.
24. In accordance with 26 U.S.C. § 6323(f), a Notice of Federal Tax Lien relating to the assessments described in ¶ 15 against Tracey Davis, above, for tax year 2000 was duly filed and recorded at the Clackamas County Recorder's Office on August 24, 2004 at Recording Number 2004-078566.
25. In accordance with 26 U.S.C. § 6323(f), Notices of Federal Tax Lien relating to the assessments described in ¶ 18 against Chester and Tracey Davis, above, for tax year 1999

were duly filed and recorded at the Clackamas County Recorder's Office on January 12, 2004 at Recording Number 2004-001803 (Chester Davis), March 9, 2004 at Recording Number 2004-019466 (Tracey Davis), and August 9, 2004 at Recording Number 2004-078566 (Tracey Davis).

26. The tax liens arising from the assessments described in ¶¶ 12, 15, and 18, above, continue to attach to the real property at issue.
27. The tax liens arising from the assessments described in ¶¶ 12, 15, and 18, above, have priority over all interests in the real property at issue acquired after the attachment of the tax liens, subject to the provisions of 26 U.S.C. § 6323(a).
28. Defendants Chester and Tracey Davis acquired their interest in the subject property via Statutory Warranty Deed dated September 13, 1984, and recorded in the Office of the Clackamas County Clerk on September 14, 1994.
29. Defendants Chester and Tracey Davis purportedly quitclaimed their interest in the subject property to Ronald G. Schaefer, Trustee on behalf of the G.C. Family Trust on January 1, 1998, which deed was recorded in the Clackamas County Clerk's Office on August 14, 1998.
30. Ronald Schaefer, as Trustee for the G.C. Family Trust subsequently quitclaimed its interest in the subject property and conveyed the subject property to Defendants Chester and Tracey Davis on March 4, 2000, which deed was recorded in the Clackamas County Clerk's Office on May 26, 2000.
31. Chester and Tracey Davis subsequently executed an undated quitclaim deed purportedly transferring a one-half interest in the subject property to "Chester Evans" and "Tracey



Jean,” recorded in the Clackamas County Clerk’s Office on May 28, 2004.

32. Chester Evans and Chet Davis are aliases of Defendant Chester Davis, and Tracey Jean and Tracey Jean Rauch are aliases of Defendant Tracey Davis.

33. Because Chester Davis and Tracey Davis are the true owners of the subject property, pursuant to 28 U.S.C. § 7403(c), the United States is entitled to a decree of sale of the real property described in ¶ 5, above, to enforce its tax liens against them.

### **REQUEST FOR RELIEF**

WHEREFORE, plaintiff, the United States of America, respectfully requests the Court to adjudge and decree as follows.

A. That the United States be granted judgment against defendant Chester Davis in the amount of \$406,152.87 for the federal tax liabilities arising from the the 2000 and 2001 years, less any payments or credits received, plus other statutory additions thereon as provided by law that accrue after September 18, 2012;

B. That the United States be granted judgment against defendant Tracey Davis in the amount of \$8,192.01 for the federal tax liabilities arising from the 2000 year, less any payments or credits received, plus other statutory additions thereon as provided by law that accrue after September 18, 2012;

C. That the United States be granted judgment against defendants Tracey and Chester Davis, jointly, in the amount of \$1,354,370.71 for the federal income tax liabilities arising from the 1999 tax year, less any payments or credits received, plus other statutory additions thereon as provided by law that accrue after September 18, 2012;

D. That this Court determine and adjudge that the United States has valid federal tax

liens against all property and rights to property belonging to defendants Chester Davis and Tracey Davis, including the real property at issue as described in ¶ 5, above;

E. That this Court determine that the federal tax liens encumbering the real property at issue arising from the assessments against defendants Chester Davis and Tracey Davis, be foreclosed and that the real property at issue be sold to satisfy Chester and Tracey Davis's outstanding and delinquent federal tax liabilities; and

F. That the United States be granted its costs incurred in bringing this action, and for such other and further relief as the Court deems just and proper.

DATED this 13th day of March, 2013.

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